the Reserve Bank of India (RBI) Holdings of a single FII in any Company are limited to 5% of the issued capital of the company and investment by all FIIs in the aggregate is to be limited to 24% of the issued capital of each Company. The total inflow on account of these investors exceeds Rs. 4000 crores.

Establishment of New Banks in Gujarat

*88. SHRI ASHIS SEN:
SHRI KAMAL MORARKA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Reserve Bank of India has issued or are contemplating to issue a licence for establishment of a new bank in Gujarat under the auspices of the State Government and/or in association with State Government sponsored institutions;

(b) if so, whether the new bank will be in public sector, joint sector or in private sector;

(c) whether proposals for setting up new banks have been/were sponsored by any other State Government's indicating their respective names and the Present Position thereof;

(d) the number of clearances given during the current financial year for setting up private sector banks; and

(e) the number of proposals pending for clearance, Indian and foreign separately?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Reserve Bank of India (RBI) have reported that they have received an application from Gujarat State Fertilizer Company Ltd., a joint sector public limited company, for a licence under section-22 of Banking Regulation Act, 1949 to commence banking business with its registered office at Ahmedabad. The proposal has been examined by RBI, and an 'in principle' approval issued to the applicant company on 27-1-1994 to set up a new bank in the private sector subject to certain terms and conditions.

(b) The bank when established will be in the private sector.

(c) RBI have not received so far any proposal from any State Government for setting up new banks in the private sector.

(d) RBI have so far issued 'in principle' approval to 9 applicants for setting up new banks in the private sector.

(e) RBI have received 14 other applications in the prescribed form and these are at various stages of processing. All these 14 applications have been received form within India. No proposal has so far been received by RBI from abroad for setting up new banks in the private sector.

Reserve Bank of India Guidelines in Banks

*89. DR. ISHWAR CHANDRA GUPTA: Will the Minister of FINANCE be pleased to state:

(a) details of directions issued by the Reserve Bank of India during last three years to different banks for reduction in rate of interest on loans given to business for business purpose;

(b) whether these directions had been strictly followed by the banks; and

(c) the number of cases noticed for violation of the guidelines by banks and the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) With effect from 22nd September, 1990 the sector specific stipulations of interest rates were done away with and the lending rate structure of banks was rationalised linking the rate of interest with the size of the loan. During 1991-92, 1992-93 and so far in 1993-94 the